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House Bill 6245 (Substitute H-1 as passed by the House)
Sponsor: Representative Ed Clemente
House Committee: New Economy and Quality of Life
Senate Committee: Commerce and Tourism

Date Completed: 12-2-10

CONTENT

The bill would amend the State Housing Development Authority Act to provide that certain property would be exempt from any eligible tax reverted property specific tax imposed under the Tax Reverted Clean Title Act, with the approval of a land bank fast track authority.

Under the Housing Development Authority Act, if a housing project owned by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association is financed with a federally-aided mortgage, a mortgage aided by the Michigan State Housing Development Authority (MSHDA), or an advance or grant from MSHDA, then, except as otherwise provided, the housing project is exempt from all ad valorem property taxes imposed by the State or any political subdivision, public body, or taxing district in which the project is located.

Under the bill, with the consent of the land bank fast track authority that sold or otherwise conveyed the property under the Land Bank Fast Track Act, those projects also would be exempt from any eligible tax reverted property specific tax imposed under the Tax Reverted Clean Title Act. (That Act imposes a specific tax (equal to the property tax) on property sold by a land bank fast track authority under the Land Bank Fast Track Act, and dedicates 50% of the proceeds of that specific tax to the authority that sold the property.)

MCL 125.1415a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

By expanding the tax exemptions for eligible property under the State Housing Development Authority Act, the bill would have a fiscal impact on local government. Under the provisions of the bill and depending on the amount of increased activity due to the new tax exemption, local governments and land bank authorities could experience a reduction in property tax revenue.

Fiscal Analyst: Eric Scorsone

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